

**Exhibit C**  
**PURCHASE OBLIGATIONS**

**1. FIRM REQUIREMENTS POWER AT PF TIER 1** *(05/27/08 Version)*

**1.1 Block Power - Annual Average Amount**

The annual average amount of Firm Requirements Power priced at PF Tier 1 rates shall equal the lesser of «Customer Name»'s RHW, or «Customer Name»'s forecast annual Net Requirement load stated in Exhibit A, Net Requirements and Resources.

*Option 1: Include if customer chooses a Flat Block:*

**1.2 Flat Block**

Except for amounts specified in section 1.4 below, amounts of Firm Requirements Power priced at PF Tier 1 rates shall be equal in all hours of the year for the term of this Agreement. The megawatt amounts of such power for each Heavy Load Hour (HLH) and each Light Load Hour (LLH) shall equal the annual average megawatt amount established in section 1.1 above.

*End Option 1*

*Option 2: Include if customer chooses a block shaped to their Monthly Net Requirement:*

**1.2 Block Shaped to Net Requirement**

The amounts of Firm Requirements Power priced at PF Tier 1 rates for each month, and for each Heavy Load Hour (HLH) and each Light Load Hour (LLH) within each month, are established as follows:

**1.2.1 Amounts Each Month**

**1.2.1.1 Determination of Monthly Distribution Factors**

BPA shall use «Customer Name»'s Monthly Distribution Factors, to be listed below, to calculate the monthly amount of Firm Requirements Power priced at PF Tier 1 rates. BPA shall establish «Customer Name»'s Monthly Distribution Factors by applying the following formula for each month:

$$\left[ \begin{array}{c} \text{Monthly} \\ \text{load in} \\ \text{MWh} \end{array} - \begin{array}{c} \text{Monthly} \\ \text{resources} \\ \text{in MWh} \end{array} \right] \div \left[ \begin{array}{c} \text{Sum of the} \\ \text{monthly} \\ \text{loads in} \\ \text{MWh} \end{array} - \begin{array}{c} \text{Sum of the} \\ \text{monthly} \\ \text{resources} \\ \text{in MWh} \end{array} \right]$$

For this calculation:

“Load” means «Customer Name»'s measured FY 2010 Total Retail Load adjusted for use in determining «Customer Name»'s CHWM, pursuant to the TRM, and

“Resources” means «Customer Name»’s Existing Resources as defined in the TRM.

By September 15, 2011, BPA shall update the table below with «Customer Name»’s Monthly Distribution Factors. These Monthly Distribution Factors shall not change for the term of this Agreement.

*Drafter’s Note: Leave table blank at contract signing:*

Monthly Distribution Factors												
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
												1.000
Note: Round the factors in the table above to three decimal places.												

#### 1.2.1.2 MWh Amounts

The megawatt-hours priced at PF Tier 1 rates each month shall equal:

$$\left[ \begin{array}{l} \text{annual aMW} \\ \text{priced at PF} \\ \text{Tier 1 from} \\ \text{section 1.1} \end{array} \right] \times \left[ \begin{array}{l} \text{total} \\ \text{number of} \\ \text{hours in} \\ \text{Fiscal} \\ \text{Year} \end{array} \right] \times \left[ \begin{array}{l} \text{«Customer Name»’s} \\ \text{Monthly} \\ \text{Distribution Factor} \\ \text{from section 1.2.1.1} \\ \text{for each month} \end{array} \right]$$

*Sub-Option 1: Include if customer chooses a flat block within each month:*

#### 1.2.2 Amounts Within Each Month

Except for amounts specified in section 1.4 below, amounts of Firm Requirements Power priced at PF Tier 1 rates within each month shall be the same for all hours of the month. The megawatt amount of such power for each HLH and each LLH is the total megawatt-hours in the month as established in section 1.2.1.2 above divided by the number of hours in the month.

*End Sub-Option 1*

*Sub-Option 2: Include if customer chooses a block that is shaped to their Net Requirement up to 60% HLH within each month:*

#### 1.2.2 Amounts Within Each Month

##### 1.2.2.1 Determination of Diurnal Distribution Factors

BPA shall use «Customer Name»’s Diurnal Distribution Factors, to be listed below, to calculate the amount of Firm Requirements Power priced at PF Tier 1 rates for each HLH and each LLH within each month. BPA shall establish «Customer Name»’s Diurnal Distribution Factors as follows:

The HLH Distribution Factor for each month shall equal the lesser of 0.6 or:

$$\left[ \frac{\text{Monthly HLH load in MWh}}{\text{Monthly HLH resources in MWh}} \right] \div \left[ \frac{\text{Monthly HLH and LLH load in MWh}}{\text{Monthly HLH and LLH resources in MWh}} \right]$$

For this calculation:

“Load” means «Customer Name»’s measured FY 2010 Total Retail Load adjusted for use in determining «Customer Name»’s CHWM, pursuant to the TRM, and

“Resources” means «Customer Name»’s Existing Resources as defined in the TRM.

The LLH Distribution Factor for each month shall equal one minus that month’s HLH Distribution Factor. By September 15, 2011, BPA shall update the table below with «Customer Name»’s Diurnal Distribution Factors. These Diurnal Distribution Factors shall not change for the term of this Agreement.

*Drafter’s Note: Leave table blank at contract signing:*

Diurnal Distribution Factors												
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
HLH												
LLH												
Total	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Round the factors in the table above to three decimal places.

#### 1.2.2.2 HLH and LLH Amounts

Except for amounts specified in section 1.4 below, the megawatt amount of Firm Requirements Power for each HLH of each month is:

$$\left[ \frac{\text{total MWh in month from section 1.2.1.2}}{\text{total MWh in month from section 1.2.1.2}} \right] \times \left[ \frac{\text{HLH Diurnal Distribution Factor for month from section 1.2.2.1}}{\text{HLH Diurnal Distribution Factor for month from section 1.2.2.1}} \right] \div \left[ \frac{\text{HLH in month}}{\text{HLH in month}} \right]$$

The megawatt amount of Firm Requirements Power for each LLH of each month is:

$$\left[ \frac{\text{total MWh in month from section 1.2.1.2}}{\text{total MWh in month from section 1.2.1.2}} \right] \times \left[ \frac{\text{LLH Diurnal Distribution Factor for month from section 1.2.2.1}}{\text{LLH Diurnal Distribution Factor for month from section 1.2.2.1}} \right] \div \left[ \frac{\text{LLH in month}}{\text{LLH in month}} \right]$$

*End Sub-Option 2*

*End Option 2 for Block shaped to Net Requirement*

**1.3 Current Tier 1 Block**

By September 15, 2011, and by September 15 of each Fiscal Year thereafter, BPA shall update the table below with whole megawatt amounts of Firm Requirements Power priced at PF Tier 1 rates for the upcoming Fiscal Year as established according to sections 1.1 and 1.2 above.

*Drafter's Note: Leave table blank at signing:*

Tier 1 Monthly Block Amounts (MW/hr)													
Fiscal Year	Diurnal Period	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2012	HLH												
	LLH												
2013	HLH												
	LLH												
2014	HLH												
	LLH												
2015	HLH												
	LLH												
2016	HLH												
	LLH												
2017	HLH												
	LLH												
2018	HLH												
	LLH												
2019	HLH												
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2020	HLH												
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2021	HLH												
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2022	HLH												
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2023	HLH												
	LLH												
2024	HLH												
	LLH												
2025	HLH												
	LLH												
2026	HLH												
	LLH												
2027	HLH												
	LLH												

Tier 1 Monthly Block Amounts (MW/hr)													
Fiscal Year	Diurnal Period	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2028	HLH												
	LLH												
Note: Round the megawatt-per-hour amounts in the table above to whole megawatts-per-hour.													

*Option 1: Include if customer does not purchase Shaping Capacity:*

**1.4 Shaping Capacity**

«Customer Name» is not purchasing any amount of Shaping Capacity.

*End Option 1*

*Option 2: Include if customer is purchasing Shaping Capacity:*

**1.4 Shaping Capacity (05/27/08 Version)**

**1.4.1 Amounts**

BPA shall establish amounts of Shaping Capacity for each month by applying the following formula for each month:

$$\left[ \frac{\text{FY 2010 monthly peak in MW}}{\text{Monthly HLH load in MWh} \div \text{HLH in month during FY2010}} \right] \times \left[ \text{FY 2012 HLH block amount from section 1.3} \right] - \left[ \text{FY 2012 HLH block amount from section 1.3} \right]$$

For this calculation:

“Monthly HLH load” means the HLH load portion of «Customer Name»’s measured FY 2010 Total Retail Load adjusted for use in determining «Customer Name»’s CHWM, pursuant to the TRM, and

“FY 2010 monthly peak” means «Customer Name»’s FY 2010 customer system peak for the month.

By September 15, 2011, BPA shall update the table below with «Customer Name»’s amounts of Shaping Capacity in whole megawatts. These amounts shall not change for the term of this Agreement except as specified in section 1.4.3 below. «Customer Name» shall pay for the full amount of Shaping Capacity megawatts listed below whether or not «Customer Name» used such Shaping Capacity.

*Drafter’s Note: Leave table blank at contract signing:*

Monthly Shaping Capacity Amounts (MW)												
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
HLH												

Note: Round the megawatt amounts in the table above to whole megawatts.
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#### 1.4.2 Scheduling Shaping Capacity

- (1) «Customer Name» may preschedule for any HLH any amount that is greater than or less than the block amount listed above in section 1.3 within the Shaping Capacity amounts listed in section 1.4.1 above. For the HLH period each day, «Customer Name» shall preschedule an average megawatt amount equal to the HLH block megawatt amount stated in section 1.3 above.
- (2) When using Shaping Capacity, «Customer Name» shall preschedule according to Exhibit F, Scheduling.

#### 1.4.3 Additional Provisions

- (1) BPA shall limit the amounts of Shaping Capacity megawatts listed in section 1.4.1 above for any month(s) where «Customer Name»'s monthly peaking Net Requirement listed in section 1.2 of Exhibit A, Net Requirements and Resources, is less than the sum of:
  - (A) «Customer Name»'s monthly HLH PF Tier 1 rate purchase amount listed in section 1.3 above,
  - (B) «Customer Name»'s monthly PF Tier 2 rate purchase amount established in section 2 below, and
  - (C) the monthly Shaping Capacity amounts listed in section 1.4.1 above.
- (2) If BPA determines that the Shaping Capacity amount for all customers purchasing Shaping Capacity exceeds 200 aMW in any month, BPA may unilaterally amend this exhibit to add limits for such months to the amounts that prescheduled megawatts can vary from one hour to the next.

*End Option 2 for Shaping Capacity*

## 2. FIRM REQUIREMENTS POWER AT PF TIER 2(06/13/08 Version)

### 2.1 Notice to Purchase Zero Amounts at PF Tier 2 Rates

If «Customer Name» elects not to purchase Firm Requirements Power at PF Tier 2 rates for a Purchase Period as established in section 9 of the body of this Agreement, by March 31 immediately following the corresponding Notice Deadline, BPA shall update this exhibit to indicate such election by adding an "X" to the applicable cell in the following table. Such election means that for the Purchase Period specified below, «Customer Name» shall: (1) purchase zero amounts of Firm Requirements Power at PF Tier 2 rates, and (2) apply

its Dedicated Resources to serve all of «Customer Name»'s Above-RHWM Load.

*Drafter's Note: Leave table blank at contract signing:*

Zero PF Tier 2	Purchase Period
	FY 2012 - FY 2014
	FY 2015 - FY 2019
	FY 2020 - FY 2024
	FY 2025 - FY 2028
Indicate Election with an "X"	

## 2.2 PF Tier 2 Load-Growth Rate

«Customer Name» shall not have the right to purchase Firm Requirements Power at the Load-Growth Rate for the term of this Agreement.

## 2.3 PF Tier 2 Vintage Rate(s)

*Reviewers Note: Shaded text is identical to Load Following (absent the first sentence)*

2.3.1 If BPA makes Firm Requirements Power available at one or more PF Tier 2 Vintage Rates, «Customer Name» may purchase amounts of such power, subject to section 2.4.2 below, only if and up to the megawatt amount that «Customer Name» has purchased Firm Requirements Power from BPA at the PF Tier 2 Short-Term Rate. If «Customer Name» elects to purchase Firm Requirements Power from BPA at a PF Tier 2 Vintage Rate, «Customer Name» shall sign a Statement of Intent offered by BPA. "Statement of Intent" means a statement prepared by BPA and signed by «Customer Name» that «Customer Name» shall purchase Firm Requirements Power at a specific rate, subject to section 2.3.2 below, based on the costs of a resource to be acquired by BPA as set in each general rate case. A signed Statement of Intent from «Customer Name» specifying the amount and term of the purchase is necessary before BPA will acquire any cost-effective resource on a long-term basis to serve load under a PF Tier 2 Vintage Rate.

2.3.2 If BPA establishes the PF Tier 2 Vintage Rate consistent with the Statement of Intent, «Customer Name» agrees to have the portion of its PF Tier 2 rate power purchase specified in the Statement of Intent, priced at that rate. If BPA is unable to establish the PF Tier 2 Vintage Rate, «Customer Name» agrees to purchase such amount of Firm Requirements Power at the PF Tier 2 Short-Term Rate.

2.3.3 If «Customer Name» purchases Firm Requirements Power at a PF Tier 2 Vintage Rate, BPA shall insert applicable tables, terms, and conditions for each Vintage rate here.

## 2.4 PF Tier 2 Short-Term Rate

### 2.4.1 Short-Term Rate Purchases

If «Customer Name» elects by a Notice Deadline to purchase Firm Requirements Power at the PF Tier 2 Short-Term Rate for a Purchase Period, in its election «Customer Name» shall state its purchase amounts of such power for each year of the corresponding Purchase Period. By March 31 immediately following each Notice Deadline, BPA shall update the table below to show «Customer Name»'s purchase amounts, if any, at the PF Tier 2 Short-Term Rate for the corresponding Purchase Period.

*Drafter's Note: Leave table blank at contract signing:*

PF Tier 2 Short-Term Rate Table					
Fiscal Year	2012	2013	2014	2015	2016
aMW					
Fiscal Year	2017	2018	2019	2020	2021
aMW					
Fiscal Year	2022	2023	2024	2025	2026
aMW					
Fiscal Year	2027	2028			
aMW					
Note: Insert whole megawatt amounts for each year of the applicable Purchase Period.					

### 2.4.2 Conversion to PF Tier 2 Vintage Rates

*Reviewers Note: Shaded text is identical to Load Following text:*

#### 2.4.2.1 Right to Convert

Subject to the amounts of power available under PF Tier 2 Vintage Rates offered by BPA, «Customer Name» shall have the right to convert only those amounts of Firm Requirements Power it purchases at the PF Tier 2 Short-Term Rate to an equivalent purchase amount at a PF Tier 2 Vintage Rate.

#### 2.4.2.2 Conversion Costs

Upon establishment of a Vintage Rate for which «Customer Name» signed a Statement of Intent, «Customer Name» shall be liable for payment of any outstanding costs under the PF Tier 2 Short-Term Rate that apply to «Customer Name». BPA shall determine such costs, if any, in the first general rate case that establishes the applicable PF Tier 2 Vintage Rate(s). In no event shall BPA make payment to «Customer Name» as a result of «Customer Name»'s conversion of



purchase amounts at the PF Short-Term Rate to purchase amounts at a PF Tier 2 Vintage Rate(s).

#### 2.4.2.3 Exhibit Updates

By September 15 immediately following the establishment of a Tier 2 Vintage Rate for which «Customer Name» signed a Statement of Intent, BPA shall amend this exhibit to show «Customer Name»'s PF Tier 2 Vintage Rate purchase amounts and remove «Customer Name»'s PF Tier 2 Short-Term Rate purchases by the amounts purchased at the PF Tier 2 Vintage Rate.

#### 2.5 *Reviewer's Note: See "Timeline for HWMs & Above-RHWM Elections"* Amounts of Power to be Billed at Tier 2 Rates

Prior to each Fiscal Year BPA shall determine the amounts, if any, of Firm Requirements Power at PF Tier 2 rates that need to be remarketed subject to section 10 of the body of this Agreement. By September 15 of each Fiscal year beginning September 15, 2011, BPA shall update the table below for the upcoming Fiscal Year with: (1) the annual average amounts of Firm Requirements Power which «Customer Name» shall purchase at each applicable PF Tier 2 rate, (2) any remarketed PF Tier 2 rate purchase amounts, and (3) the total amount of Firm Requirements Power priced at PF Tier 2 rates, net of remarketed amounts.

*Drafter's Note: Leave table blank at contract signing:*

Annual Amounts Priced at PF Tier 2 Rates (aMW)									
Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
«No Tier 2 at this time»									
Minus Remarketed Amounts									
Total Amount at Tier 2									
Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	
«No Tier 2 at this time»									
Minus Remarketed Amounts									
Total Amount at Tier 2									
Notes:									
1_ List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace «No Tier 2 at this time» with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the <b>Remarketed Amounts</b> row. If «Customer Name» elects not to purchase at Tier 2 rates, leave «No Tier 2 at this time» in the table and leave the remainder of the table blank.									
2_ Fill in the table above with whole annual average megawatts.									

**2.6 Flat Block**

Amounts of Firm Requirements Power priced at PF Tier 2 rates shall be equal in all hours of the year.

**3. MONTHLY PF RATES(04/06/08 Version)**

Applicable monthly PF Tier 1 and PF Tier 2 rates are specified in BPA rate schedules.

**4. REVISIONS(05/27/08 Version)**

BPA shall revise this exhibit to reflect **Customer Name**'s elections regarding service to its Above-RHWM Load and BPA's determinations under this Agreement.

(PS«X/LOC»- «File Name with Path».DOC) «mm/dd/yy» *(Drafter's Note: Insert date of finalized contract here*